

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

July 22, 2011

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

PSF No: 10HD-156

**HAWAII**

Amend Prior Board Action of June 23, 2011, Item D-7, Issuance of Direct Lease to Boteilho Hawaii Enterprises, Inc. for Dairy Purposes, Opihipau-Hukiaa, Kokoiki, North Kohala, Hawaii, Tax Map Key: 3<sup>rd</sup>/ 5-5-003:004, 005 & 006, 5-5-005:001, and 5-5-006:002, 003, 004 & 015.

**BACKGROUND:**

At its meeting of June 23, 2011, Agenda Item D-7, the Board of Land and Natural Resources approved, as amended, the issuance of a direct lease to Boteilho Hawaii Enterprises, Inc. (Applicant) for dairy purposes. (Exhibit A)

**REMARKS:**

In processing the above, the Hawaii District Land Office received a call from Applicant reminding staff that the method of payment of the annual lease rent of its existing leases was set-up as monthly payments, and not as semi-annual payments as indicated in the submittal. Applicant explained that due to the condition of the economy, payment of the annual rent in monthly installments is preferred and works best with its business finances and budget.

It was also brought to staff's attention that the prior Land Board action approving the direct lease did not address the mutual cancellation of the existing pasture leases identified as General Leases No. S-4950, S-5572, and S-5574. The effective date for the cancellations will be coordinated with the commencement date of the new direct lease.

**RECOMMENDATION:**

1. That the Board Amend its prior Board action of June 23, 2011, under Agenda Item D-7 by:
  - A. Authorize the "Method of Payment" of the annual rent for the direct lease

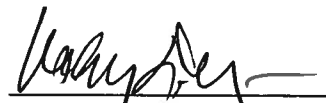

to be payable in monthly installments, due on the first day of each and every month, in advance.

B. Authorize the mutual cancellation of General Lease Nos. S-4950, S-5572, and S-5574, to Boteilho Hawaii Enterprises, Inc., covering the subject land under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

- 1) The standard terms and conditions of the most current mutual cancellation of lease document form, as may be amended from time to time;
- 2) Review and approval by the Department of the Attorney General; and
- 3) Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

2. All terms and conditions listed in its June 23, 2011 approval to remain the same.

Respectfully Submitted,

  
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Wesley T. Matsunaga  
Land Agent 

APPROVED FOR SUBMITTAL:

  
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William J. Aila, Jr., Chairperson